

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6067

BILL NUMBER: SB 4

NOTE PREPARED: Jan 14, 2004

BILL AMENDED: Jan 13, 2004

SUBJECT: Award of State Contracts.

FIRST AUTHOR: Sen. Drozda

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill provides that a contract for services entered into by a state agency must require that: (1) all work under the contract must be performed in the United States; (2) a copy of the Social Security card for each individual employed under the contract must be provided to the contracting agency, and (3) a background check of each individual employed under the contract verifying the individual's Social Security number must be provided to the contracting agency.

Effective Date: July 1, 2004.

Explanation of State Expenditures: (Revised) This bill limits state agencies to entering into service contracts with firms that perform all work in the United States and whose employees all have verifiable Social Security numbers. To the extent that this provision could potentially diminish the pool of eligible service providers that can bid for state service contracts, state contracting costs could increase.

A specific fiscal analysis of the proposal is indeterminable as it will depend on the marketplace's response to the preference. It is presumed that only a very limited number of service contracts entered into by state agencies would be affected by this provision.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Administration; State agencies that contract for services.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: John Parkey, 317-232-9854.